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DEPARTMENT OF STATE

FOIA Exemptions
PA - Exemptions

April 19, 1974

TO : EB - Mr. Endera
THROUGH: EB/ITP - John C. Renner
FROM : EB/ITP/EWT - Robert B. Wright
SUBJECT: American Subsidiary Exports to Cuba

The Secretary announced on April 18 that as a result of the case-by-case consideration of the applications made by American subsidiary firms in Argentina to export to Cuba, we would approve the applications made by Ford, General Motors and Chrysler. Prior to the public announcement Treasury (Sommerfield) was called by Carlyle E. Mau, the Legal Adviser, suggesting that Treasury inform the three companies that the licenses would be issued. He also said that State's approval was given for a General Electric license covering parts for the locomotives Canada is selling to Cuba. Since this is from Canada, he decided it would be better to hold this for clarification.

Questions which remain undecided are:

1. The status of the other applications (FMC Corporation and Borg-Warner). (FMC has no Americans on the Board of Directors, so only the "moral suasion" policy is at issue.)
2. The reply to be given to the banks. (Bank of America has been asked to finance the Argentine trade with Cuba and has asked for guidance.)

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3. The Commerce licensing. Both the Ford and the General Motors cases could involve U.S. components. (When Sommerfield asked Mau about the Commerce licensing he was told there had been no decision.)
4. Commerce licensing for Westinghouse. Westinghouse has application to supply refrigeration units (10% of total value) for Argentine railway cars for Cuba. Commerce had turned down application but Westinghouse has appealed.
5. The Canadian MLW Worthington case. No decision was made on Canada. Sommerfield has an application from General Electric for components to go into the locomotives. He claims that this will require Treasury as well as Commerce licensing.

The policy basis for these actions is in the Secretary's memorandum to the President of December 30, 1973 (attached). In it the Secretary approves a policy of considering these cases on a case-by-case basis with approval where the firms can demonstrate that they face serious Argentine retaliation or possible closure. Mr. Armstrong discussed these cases with Commerce and Treasury.

Attachment:

Memorandum to the President.

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